

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL &
FIRST-CLASS PACKAGE SERVICE CONTRACT 95
(MC2019-97)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2019-105

**USPS NOTICE OF AMENDMENT TO
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 95,
FILED UNDER SEAL
(November 12, 2019)**

The Postal Service hereby provides notice that the terms of Priority Mail & First-Class Package Service Contract 95, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail & First-Class Package Service Contract 95 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Priority Mail & First-Class Package Service Contract 95. Therefore, the supporting financial documentation and financial certification initially filed in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the customer-identifying information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

475 L'Enfant Plaza, SW
Washington, D.C. 20260-1137
(202) 268-8405
Sean.C.Robinson@usps.gov
November 12, 2019

ATTACHMENT A
REDACTED AMENDMENT TO
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 95

AMENDMENT #1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL SERVICE
AND
FIRST-CLASS PACKAGE SERVICE

WHEREAS, the United States Postal Service ("the Postal Service") and [REDACTED] ("Customer") entered into a Shipping Services Contract regarding Priority Mail and First-Class Package Service, PM-FCPS Contract 95/Docket No. CP2019-105, on March 15, 2019.

WHEREAS, the Parties desire to amend the terms in Sections I.B, I.F, I.G, and Tables 6-10, and add Table 1a to the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Section I.B, I.F, I.G, and Tables 6-10 in their entirety and add Table 1a as follows.]

I. Terms

B. This Contract applies to Customer's inbound and outbound packages, excluding packages originating from and/or to ZIP Codes contained in Table 1a below (collectively "Contract Packages"), as follows:

1. Priority Mail weight-based packages that do not exceed [REDACTED]
[REDACTED];
2. Priority Mail cubic packages that do not exceed [REDACTED] and
[REDACTED];
3. First-Class Package Service – Commercial packages that do not exceed [REDACTED]
[REDACTED]

The ZIP Codes listed in Table 1a may be modified by the Parties from time to time by written mutual agreement.

Postal Service shall assign a unique mailer identification number (MID) to Customer for use and designation on Contract Packages. All Contract Packages must originate outside the United States. Labels containing the assigned MID, and other pertinent information shall be affixed to these Contract Packages before entering the United States. Contract Package discounts under this Contract shall only be available for Contract Packages bearing the MID assigned by the Postal Service for purposes of this Contract.

- F. From the effective date of this Amendment until March 31, 2020, Customer will receive Tier 5 discounts for Priority Mail Contract Packages, and Tier 5 discounts for First-Class Package Service Contract Packages, pursuant to Tables 5 and 10, respectively. Subsequent tier discounts will be determined by the quarterly averages for both Total PM Packages and Total FCPS Packages shipped during the term of this Contract.
- G. Contract Package discounts for this Contract will be based on a rolling four (4) Quarter average. From the effective date of this Amendment, until Customer has reached four (4) full Contract Quarters, the separate quarterly averages for Total PM Packages and Total FCPS Packages will be based on the individual quantities of Total PM Packages and Total FCPS Packages shipped, divided by the number of full Contract Quarters achieved. At the conclusion of the first four (4) full Contract Quarters, the subsequent quarterly averages for each product will be calculated by the number of Total PM Packages and Total FCPS Packages shipped in the previous four (4) full Contract Quarters, divided by four (4). At the conclusion of each Contract Quarter, the Postal Service will calculate the quantity of Total PM Packages and Total FCPS Packages, and the number of applicable quarters to calculate and apply the appropriate rate table for each product within fifteen (15) calendar days of the conclusion of that Contract Quarter. Tables D and E below illustrate the method in determining average volumes.

Table D

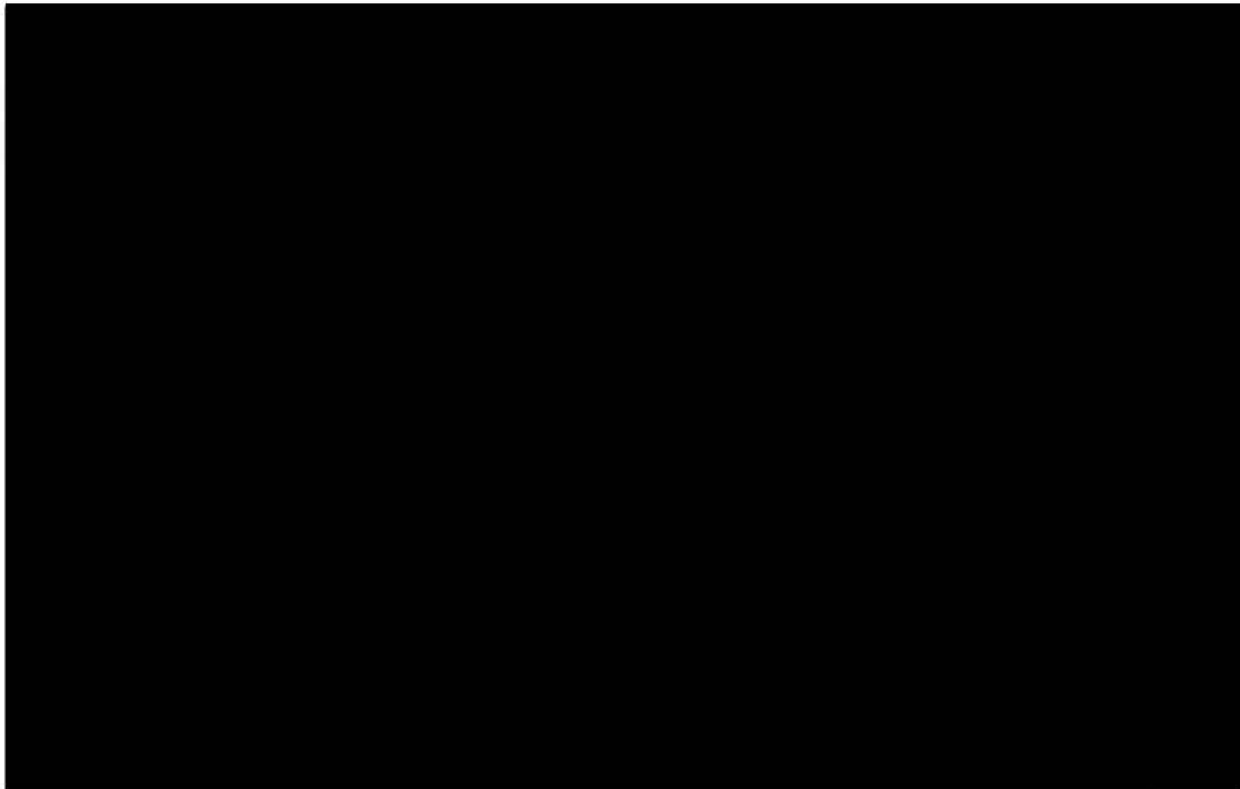
Contract Year (CY) 1	Tier Determination
Quarter 4	Tier 5 Pricing
Contract Year (CY) 2	Tier Determination
Quarter 1	Tier 5 Pricing
Quarter 2	Total PM Packages Shipped (CY1 Q4 + CY2 Q1) ÷ 2
Quarter 3	Total PM Packages Shipped (CY1 CY4 + CY2 Q1&2) ÷ 3
Quarter 4	Total PM Packages Shipped (CY1 Q1 + CY2 Q's 1,2 & 3) ÷ 4
Contract Year (CY) 3	Tier Determination
Quarter 1	Total PM Packages Shipped (CY2 Q's 1,2,3&4) ÷ 4
Quarter 2	Total PM Packages Shipped (CY2 Q's 2,3&4 + CY3 Q1) ÷ 4

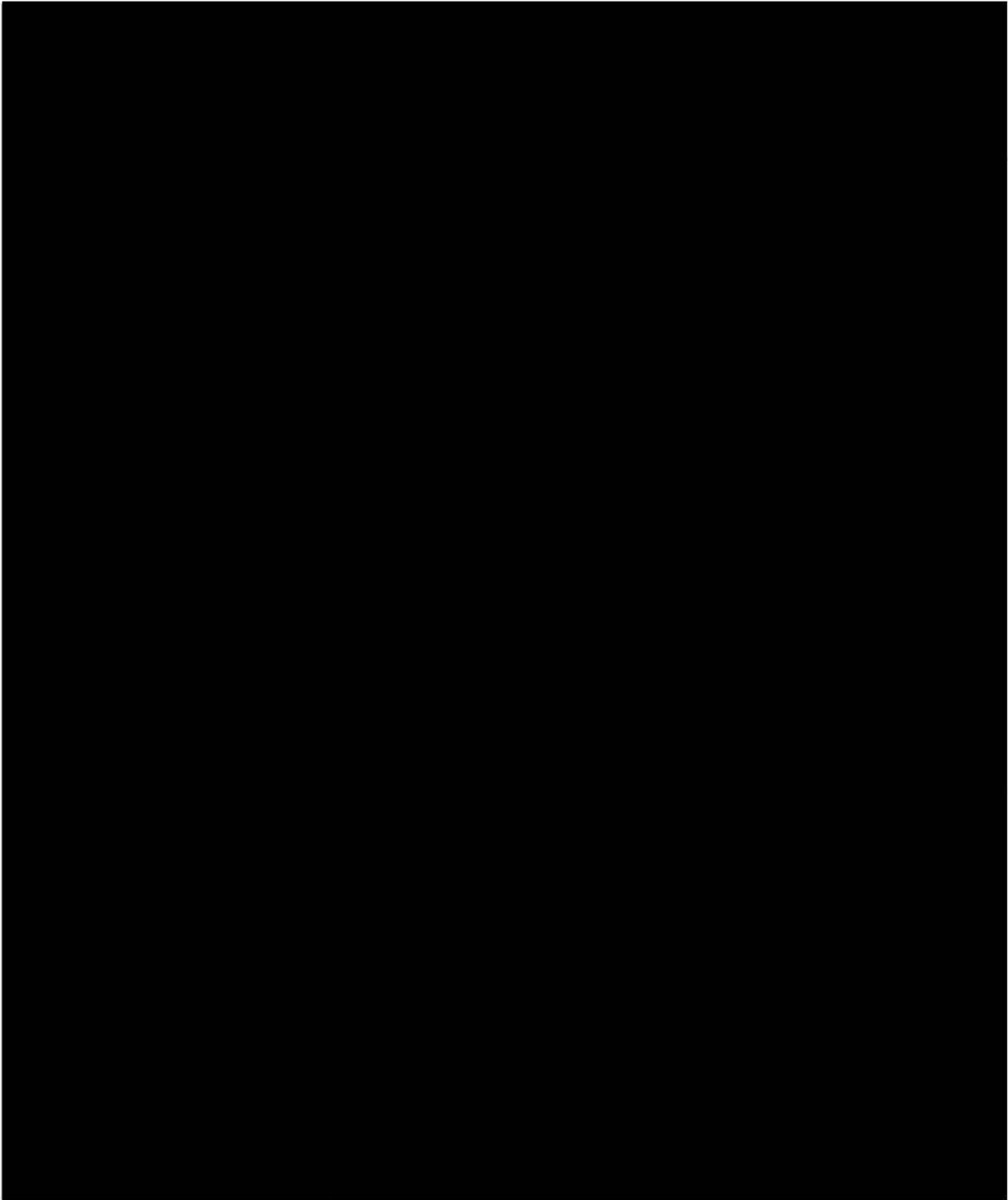
Quarter 3	Total PM Packages Shipped (CY2 Q's 3&4 + CY3 Q's 1&2) ÷ 4
Quarter 4	Total PM Packages Shipped (CY2 Q4 + CY3 Q's 1,2&3) ÷ 4

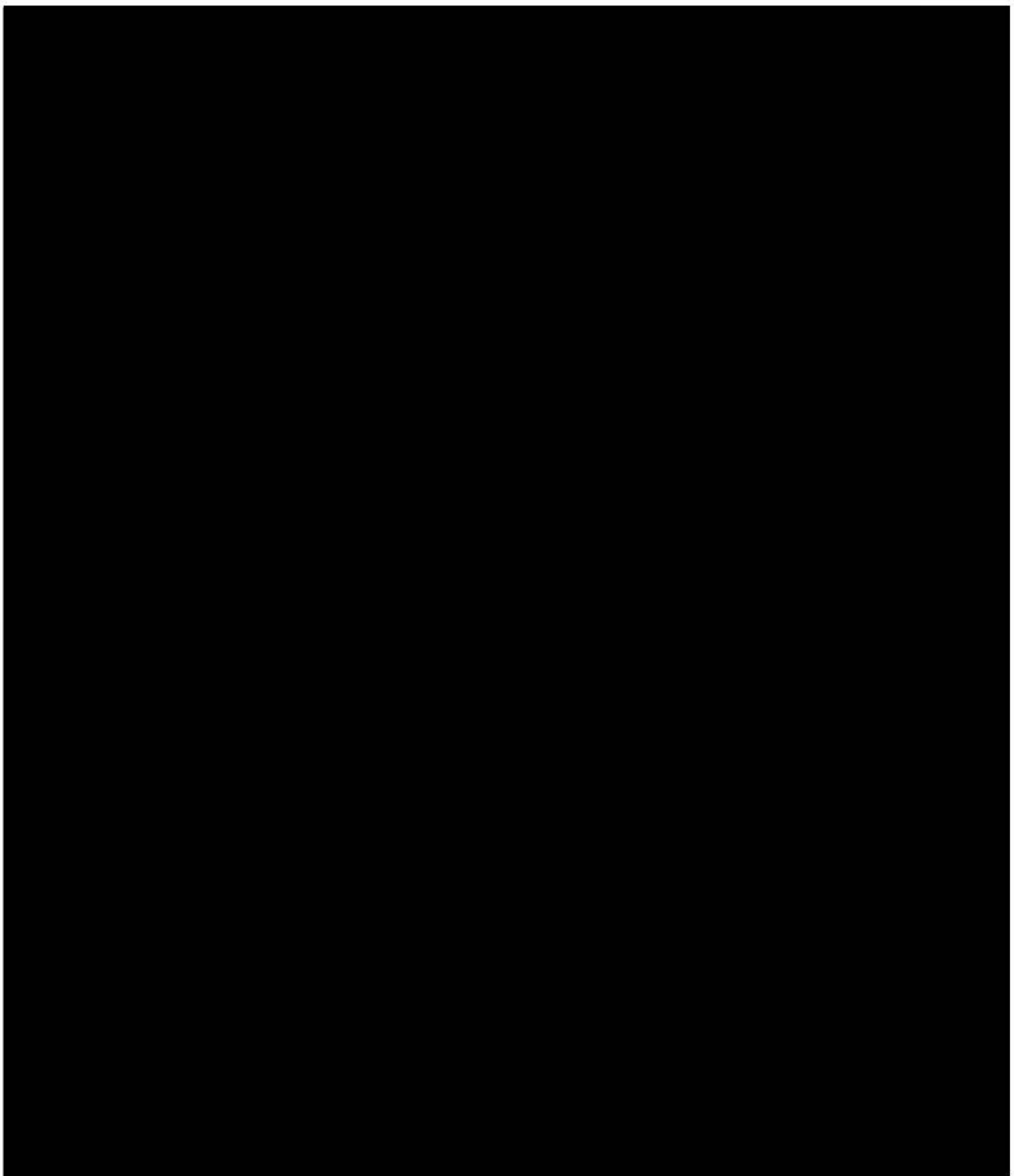
Table E

Contract Year (CY) 1	Tier Determination
Quarter 4	Tier 5 Pricing
Contract Year (CY) 2	Tier Determination
Quarter 1	Tier 5 Pricing
Quarter 2	Total FCPS Packages Shipped (CY1 Q4 + CY2 Q1) ÷ 2
Quarter 3	Total FCPS Packages Shipped (CY1 Q4 + CY2 Q1&2) ÷ 3
Quarter 4	Total PM Packages Shipped (CY1 Q1 + CY2 Q's 1,2 & 3) ÷ 4
Contract Year (CY) 3	Tier Determination
Quarter 1	Total FCPS Packages Shipped (CY2 Q's 1,2,3&4) ÷ 4
Quarter 2	Total FCPS Packages Shipped (CY2 Q's 2,3&4 + CY3 Q1) ÷ 4
Quarter 3	Total FCPS Packages Shipped (CY2 Q's 3&4 + CY3 Q's 1&2) ÷ 4
Quarter 4	Total FCPS Packages Shipped (CY2 Q4 + CY3 Q's 1,2&3) ÷ 4

K. First-Class Package Service Prices. As illustrated in Tables 6 through 10 below, commencing on the effective date of this Amendment, the following discounts off of published First-Class Package Service-Commercial prices, shall apply to Customer's FCPS Contract Packages, pursuant to the quarterly average of FCPS shipped and the applicable tier.







IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: Tim Costello

Printed Name: Tim Costello

Title: Vice President Sales

Date: 11/5/19

